Minister Mladjan Dinkic  
Ministry of Finance and Economy  
Kneza Milosa 20  
11000 Belgrade  
Republic of Serbia

Director Milan Pajevic  
European Integration Office  
Nemanjina 34  
11000 Belgrade  
Republic of Serbia

Re: Serbia Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia  
(Grant No. TF097118) Justice Sector Support Project  
Second Amendment to the Grant Agreement

Excellency and Mr. Pajevic,

We refer to the Grant Agreement (the "Agreement") for the above referenced Project, dated September 13, 2010, countersigned on November 30, 2010, and amended as of December 27, 2011, between the Republic of Serbia (the "Recipient") and the International Bank for Reconstruction and Development (the "Bank"), acting as administrator of grant funds provided by various donors under the Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia (Trust Fund).

We also refer to the letter from the Director of European Integration Office of the Government of the Republic of Serbia dated August 31, 2012 requesting us to amend Section 3.01 of Article III of the Annex of the Agreement to stipulate that the category of Eligible Expenditures financed be amended to include goods, training, consultants’ services and operating costs and to increase the percentage of eligible expenditures finance from 80% to 100%, exclusive of taxes.

We are pleased to inform you that, after due consideration, the Bank concurs with your request.
Accordingly, Section 3.01 of Article III to the Annex of the Agreement is hereby amended to include the revised withdrawal table, and a definition of “Operating Costs” as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of the Expenditures to be Financed (exclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, training, consultants’ services and Operating Costs</td>
<td>2,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,700,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this table “Operating Costs” means the expenses incurred by the Reform Facilitation Unit and Project Implementation Unit to finance the cost of communications, translations, meetings, local travel, consumables and day-to-day office maintenance and administration, including office rental, operation and maintenance of equipment provided to the RFU and PIU under the trust fund, and excluding salaries of government officials and civil servants.”

In addition, and pursuant our recent conversations, the Guidelines for Procurement of Goods, Works and Non-Consulting Services and the Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers dated January 2011 will apply from the date of countersignature of this letter.

All the terms and conditions of the Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing by signing and dating the enclosed copy of this amendment. This amendment will be executed in two counterparts, each of which shall be deemed an original and one of which shall be returned to us. The provisions of this amendment shall become effective as of the date of your countersignature, upon receipt by the Bank of one fully countersigned original of this amendment.

Sincerely,

By

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

AGREED:

REPUBLIC OF SERBIA

By: 

Authorized Representative

Name: 

MILAN POLEVIC

Title: 

DIRECTOR

Date: 

12 April 2013
Mr. Jorg G. Frieden Executive Director, World Bank

Cleared w/ & cc: Khoury (CTRLD), Djutovic-Alivodic (CFPTO), Martinez (ECSO2), Ramanathan (CFRPA), Crnomarkovic (ECSO3), Jauregui (LEGEM); TACT, Dorotinsky (ECSP4)

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