January 19, 2017

H.E. Kiril Minoski
Minister of Finance
Ministry of Finance
St. Dame Gruev no.12
1000 Skopje

Re: Local and Regional Competitiveness in Tourism Project (Grant No. TF0A1779)
First Amendment to the Grant Agreement

Excellency:

We refer to the Grant Agreement between the Recipient and the International Bank for Reconstruction and Development, acting as Administrator of the European Commission for the European Union Instrument for Pre-Accession Trust Fund (the World Bank), dated January 14, 2016 with respect to the above-captioned Project. Please note that capitalized terms used in this letter (the Amendment Letter) and not defined herein have the meaning ascribed to them in the Grant Agreement.

We are pleased to inform you that pursuant to your letter request dated January 3, 2017, the Bank hereby agrees to amend the Grant Agreement as follows:

The Table in Section IV.2 of Schedule 2 to the Grant Agreement is hereby amended and replace in its entirety to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in Euro)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes, other than personal income taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, operating costs, training, non-consulting services, and consultants’ services under Components 2 and 4 of the Project</td>
<td>2,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Subprojects under Component 3 of the Project</td>
<td>13,260,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>15,760,000</td>
<td></td>
</tr>
</tbody>
</table>

All other provisions of the Grant Agreement, except as amended in this Amendment Letter, shall remain in full force and effect.

Tel: +43 (1) 2170 782    Fax: +43 (1) 2170 701
Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Amendment Letter. The provisions set forth in this Amendment Letter, shall become effective as of January 14, 2016, upon receipt by the Bank of one fully executed original of this Amendment Letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Ellen Goldstein
Country Director, Western Balkans
Europe and Central Asia Region

AGREED:

RECIPIENT

By: ________________________________
Authorized Representative

Name: Kiril Minoski
Title: Minister of Finance
Date: 26-01-2017