February 1, 2016

H.E. Dr. Avdullah Hoti
Minister of Finance
Ministry of Finance
Mother Teresa Street
10000 Pristina
Republic of Kosovo

Re: IDA Grant H544-XK; IDA Credit 4691-XK
(Real Estate Cadastre and Registration Project - RECAP)
Reallocation and Amendment to the Financing Agreement

Your Excellency:

We refer to the Financing Agreement ("Agreement") for the above referenced Project ("Project"), dated March 10, 2010, between the Republic of Kosovo ("Recipient") and the International Development Association ("Association"). We also refer to your letters dated April 7 and June 26, 2015, requesting that Grant proceeds be reallocated for use in systematic registration of property rights.

We are pleased to inform you that the Association hereby agrees to amend the table in paragraph 2 of Section IV.A of Schedule 2 to the Agreement, among other things, to reflect the reallocation of Grant proceeds from Category (3) to a newly created Category (4) with expenditures to be financed at 75% by the Credit and to be financed at 100% by the Grant. Accordingly, said table is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works and Technical Services for Parts A.1, A.2(a) and A.2(c) of the Project</td>
<td>1,757,311.78</td>
<td>0</td>
<td>75%</td>
</tr>
<tr>
<td>(2) Technical Services for Part A.2(b) of the Project</td>
<td>1,016,985.40</td>
<td>0</td>
<td>75%</td>
</tr>
<tr>
<td>(3) Goods, Consultants' Services, Training and Incremental Operating Costs for Parts A.1, A.2(a), A.2(c), B and C of the Project</td>
<td>1,218,000.00</td>
<td>2,050,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
H.E. Dr. Avdullah Hoti

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<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4) Works and Technical Services for Parts A.1, A.2(a), A.2(b) and A.2(c) of the Project</td>
<td>307,702.82</td>
<td>1,450,000</td>
<td>75% for the Credit and 100% for the Grant</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,300,000</td>
<td>3,500,000</td>
<td></td>
</tr>
</tbody>
</table>

Except as specifically amended in this letter, all other provisions of the Agreement remain in full force and effect.

Please confirm the agreement of the Recipient to the amendments set out above by countersigning and dating the confirmation set forth below, and returning one fully signed original of this letter of amendment to us. One fully signed original should be retained by the Recipient. Upon receipt by the Association of the copy of this letter of amendment duly countersigned by the authorized representative of the Recipient, this amendment letter shall become effective as of the date of countersignature. We will notify you of the receipt of the countersigned letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Ellen Goldstein
Country Director for Southeast Europe
Europe and Central Asia Region

AGREED
REPUBLIC OF KOSOVO

By: [Signature]
Authorized Representative

Name: Avdullah Hoti
Title: Minister of Finance
Date: 19/02/2016