

OFFICIAL DOCUMENTS

L. 4446-YF



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

NOVEMBER 14, 2016

H.E. Dusan Vujovic
Minister of Finance
Ministry of Finance
20 Kneza Milosa St.
Belgrade 11000
Serbia

**Re: Republic of Serbia: Corridor X Highway Project
Amendment Letter No. 2 to the Loan Agreement (Loan No.7746-YF)
and Supplemental Letter No. 2: Performance and Monitoring Indicators**

Excellency:

We refer to: (i) the Loan Agreement for Corridor X Highway Project between the Republic of Serbia (the Borrower) and the International Bank for Reconstruction and Development (the Bank), as amended on April 8, 2014 (the Loan Agreement); and (ii) the Supplemental Letter No. 2 regarding the performance monitoring indicators (the Supplemental Letter No. 2) from the Republic of Serbia, for the above-mentioned Project, as amended, all dated July 13, 2009 (collectively called "Legal Documents"). The capitalized terms used in this amendment letter and not defined herein have the meanings ascribed to them in the Loan Agreement.

We hereby propose to amend the Legal Documents as follows:

I. The Loan Agreement is amended as follows:

1. Part A of Schedule 1 is hereby replaced in its entirety to read as follows:

"Part A. Motorway construction on E-75 and E-80

Carrying out a program of works and equipment provisions for the construction of sections of motorway totaling about: (i) 38 kilometers between Leskovac (Grabovnica) and Grdelica, and between Caricina Dolina and Donji Neradovac (Corridor Xd) on the E-75 highway axis; and (ii) 9 kilometers of motorway on a section of the corridor to the north of Dimitrovgrad on the E-80 highway axis, including construction of new alignment and upgrading of the existing road, and consisting of:

1. the relevant electrical and mechanical facilities, annex areas, toll plazas and buildings, interchanges and some interconnecting roads to improve integration with the local road network;

2. a full profile motorway with four 3.75 meters traffic lanes and design speed of 120km/h for all sections (100km/h design speed in tunnels); and

3. the procurement of a consulting firm to provide engineering services for said program and additional sections of Corridor X as agreed with the Bank."

2. Part B of Schedule 1 is deleted and the remaining Parts under Schedule 1 are re-alphabetized accordingly.

3. The Closing Date is established as June 30, 2018.

4. The following definition is hereby added to Section I of the Appendix to read as follows and the remaining definitions in the Appendix are re-numbered accordingly:

“4. “Corridor X” means one of the most important pan-European transport corridors that run through Serbia and connects Austria, Hungary, Slovenia, Croatia, Serbia, Bulgaria, Macedonia and Greece. The main branch of Corridor X is Salzburg (A) - Ljubljana (SLO) – Zagreb (CRO) – Belgrade (SRB) – Niš (SRB) – Skopje (MK) – Veles (MK) – Thessalonica (GR).”

II. The Attachment to the Supplemental Letters No. 2 is amended and restated to read as set forth in the attachment to this amendment letter.

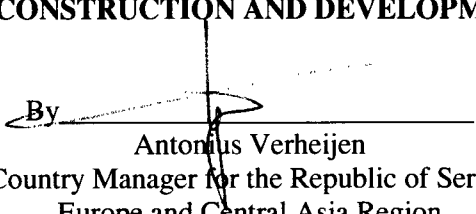
All the terms and conditions of the Legal Documents that have not been amended hereby shall remain unchanged and in full force and effect.

This amendment letter shall become effective as of the date of its signature by the Bank and the Borrower.

Sincerely,

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

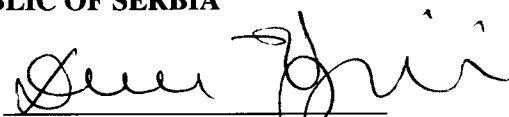
By


Antonius Verheijen
Country Manager for the Republic of Serbia
Europe and Central Asia Region

CONFIRMED AND AGREED:

REPUBLIC OF SERBIA

By:


Authorized Representative

Name:

Jovan Vujović

Title:

Minister of Finance

Date:

10/14, 2016

Attachment 1 – Result Framework

Project Name: Corridor X Highway Additional Financing (P158413)	Project Stage: Additional Financing	Status: DRAFT
Team Leader(s): Svetlana Vukanovic	Requesting Unit: ECCU4	Created by: Svetlana Vukanovic on 27-Apr-2016
Product Line: IBRD/IDA	Responsible Unit: GTI03	Modified by: Desanka Stanic on 17-Aug-2016
Country: Serbia	Approval FY: 2017	
Region: EUROPE AND CENTRAL ASIA	Lending Instrument: Investment Project Financing	
Parent Project ID: P108005	Parent Project Name: CORRIDOR X HIGHWAY PROJECT (P108005)	

Project Development Objectives

Original Project Development Objective - Parent:

The Project Development Objective is to increase transport efficiency and improve traffic safety on the three project sections of Corridor X, between Nis and Dimitrovgrad and Grabovnica and Donji Neradovac respectively, and to improve road management and road safety in Serbia.

Proposed Project Development Objective - Additional Financing (AF):

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure	Baseline	Actual(Current)	End Target
No Change			Percentage	Value	1.31	1.00

	Road User costs for road section Nis-Dimitrovgrad			Date	12-Jun-2009	1-May-2016	30-Jun-2018
				Comment			
No Change	Road user costs for road section Grabovnica to Donji Neradovac		Percentage	Value	1.07		1.00
				Date	12-Jun-2009	1-May-2016	30-Jun-2018
				Comment			
No Change	Rate of road crash related death and serious injury for road section Nis Dimitrovgrad		Percentage	Value	44.13		39.70
				Date	12-Jun-2009	1-May-2016	30-Jun-2018
				Comment			
No Change	Rate of road crash related death and serious injury for road section Grabovnica and Donji Neradovac		Number	Value	53.34		48.06
				Date	31-Dec-2008	1-May-2016	30-Jun-2018
				Comment			
No Change	Action Plan to improve institutional aspects of road management through reforms at PEPS adopted		Yes/No	Value	No	No	Yes
				Date	31-Dec-2008	1-May-2016	30-Jun-2018
				Comment			
No Change	National Road Safety Strategy developed and launched		Yes/No	Value	No	Yes	Yes
				Date	31-Dec-2008	1-May-2016	30-Jun-2018
				Comment			