Agreement Amending Financing Agreement

(Lignite Power Technical Assistance Project)

between

UNITED NATIONS INTERIM ADMINISTRATION MISSION IN KOSOVO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 20, 2007
AGREEMENT AMENDING
FINANCING AGREEMENT

AGREEMENT, dated July 20, 2007, between the UNITED NATIONS INTERIM ADMINISTRATION MISSION IN KOSOVO (the Recipient) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Recipient and the Association have entered into a Financing Agreement, dated December 13, 2006 (the Financing Agreement), for the purpose of assisting in the financing of the Lignite Power Technical Assistance Project (the Project) described in Schedule 1 to the Financing Agreement;

(B) the Recipient has requested the Association to provide additional financing in order to complete ongoing Project activities, by increasing the amount made available under the Financing Agreement by an amount in various currencies equivalent to one million four hundred thousand Special Drawing Rights (SDR 1,400,000); and

WHEREAS the Association has agreed on the basis, inter alia, of the foregoing, to provide such additional financing to the Recipient upon the terms and conditions set forth in this Amending Agreement (as hereinafter defined).

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

1.01. The Appendix to the Financing Agreement is amended by inserting the following paragraph 32:

“(32) ‘Amending Agreement’ means this Agreement Amending the Financing Agreement between the Recipient and the Association, dated December 13, 2006;”

1.02. Section 2.01 of the Financing Agreement is amended to read as follows:

“Section 2.01. The Association agrees to extend to the Recipient, for the benefit of Kosovo, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount in various currencies equivalent to seven million two hundred thousand Special Drawing Rights (SDR 7,200,000) (the Grant), which includes: (a) an original amount in various currencies equivalent to five million eight hundred thousand Special Drawing Rights (SDR 5,800,000) (the Original Financing); and (b) an additional amount in various currencies equivalent to one
million four hundred thousand Special Drawing Rights (SDR 1,400,000) (the Additional Financing).”

1.03. Section 2.03 of the Financing Agreement is amended by adding after the term “annum” the following proviso:

“provided however, that any commitment charge on the Additional Financing shall accrue from a date sixty (60) days after the date of the Amending Agreement;”

1.04. The table set forth in Schedule 2, Section V, Part A of the Financing Agreement is deleted and replaced with the table set forth in Attachment I to this Amending Agreement.

ARTICLE II

Effective Date; Termination

2.01. This Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Amending Agreement has been duly authorized or ratified by all necessary governmental action, and this Amending Agreement is legally binding upon the Recipient in accordance with its terms.

2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association showing on behalf of the Recipient, that this Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon the Recipient in accordance with its terms.

2.03. This Amending Agreement shall come into force and effect on the date upon which the Association shall dispatch to the Recipient notice of its acceptance of the evidence required by Section 2.01 of this Amending Agreement.

2.04. If this Amending Agreement shall not come into force and effect by a date ninety (90) days after the date of this Amending Agreement, this Amending Agreement and all obligations of the parties hereunder shall terminate, unless the Association establishes a later date for the purposes of this Section. If this Amending Agreement shall terminate under the provisions of this Section, the Financing Agreement shall continue in full force and effect, as if this Amending Agreement had not been executed.
IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Amending Agreement to be signed in their respective names in Pristina, Kosovo, as of the day and year first above written.

INITIALED ON BEHALF OF THE PROVISIONAL INSTITUTIONS OF SELF-GOVERNMENT

By /s/ Ethem Ceku
Authorized Representative

UNITED NATIONS INTERIM ADMINISTRATION MISSION IN KOSOVO

By /s/ Johan van Lamoen
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Orsalia Kalantzopoulos
Authorized Representative
## SCHEDULE 1

**Withdrawal of the Proceeds of the Credit**

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Financing</th>
<th>Additional Financing</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Consultants’ services, Training, and Incremental Operating Costs for Parts A, B, and C of the Project</td>
<td>3,800,000</td>
<td>725,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ services for Part D of the Project</td>
<td>2,000,000</td>
<td>675,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5,800,000</td>
<td>1,400,000</td>
<td></td>
</tr>
</tbody>
</table>