His Excellency
Slavko Linic
Minister of Finance
Zagreb
Republic of Croatia

Re: Republic of Croatia: Modernizing Treasury Systems in Croatia
(SAFE Grant No. TF012382)

Amendment to the Grant Agreement

Excellency,

1. We refer to the Grant Agreement between the Republic of Croatia (the “Recipient”) and the International Bank for Reconstruction and Development (the “World Bank”), acting as administrator of grant funds provided by the European Union, represented by the European Commission (the “Commission”) (“Donor”) under the Trust Fund for Strengthening Accounting and the Fiduciary Environment (SAFE), dated June 19, 2012, with respect to the above-captioned Project (“Grant Agreement”).

2. Pursuant to recent discussions between the World Bank and the Recipient, the World Bank proposes to amend the Grant Agreement as follows:

Section 3.01 of the Grant Agreement is hereby amended to read as follows:

“3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of Consultants’ Services, exclusive of Taxes.”

3. Capitalized terms used in this letter (the “Amendment Letter”) and not defined herein have the meaning ascribed to them in the Grant Agreement.

4. All other terms of the Grant Agreement shall remain the same.

5. This Amendment Letter shall be executed in two (2) counterparts each of which shall be an original.
6. Please confirm your agreement with the foregoing on behalf of the Recipient by signing and dating two originals of this Amendment Letter. This Amendment Letter shall become effective as of the date of countersignature, upon receipt by the World Bank of one fully executed original of this Amendment Letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Mamta Murthi
Country Director
Central Europe and the Baltic Countries
Europe and Central Asia Region

AGREED:

REPUBLIC OF CROATIA

By: Authorized Representative
Title: MINISTER OF
Date: MARCH 5, 2013