

The World Bank Office, Croatia
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION



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June 9, 2014

H. E. Mr. Boris Lalovac
Minister of Finance
Katanciceva 5
10000 Zagreb
Republic of Croatia

Re: Republic of Croatia: Advance Agreement for Preparation of Proposed Social Protection System Modernization Project Preparation Advance No. P4690-HR

Excellency:

We refer to the Preparation Advance Agreement between the Republic of Croatia (Recipient) and the International Bank for Reconstruction and Development (the World Bank) for the above-referenced Project, dated March 25, 2014 (the Advance Agreement). We also refer to correspondence dated May 29, 2014 informing the World Bank that the PIU has been established within the Ministry of Social protection and Youth, as well as the decision 519-03-1-1/1-14-13, establishing the PIU.

We are pleased to inform you that, after careful consideration, the World Bank has acceded to the aforementioned request. Consequently, the World Bank proposes to amend the Advance Agreement as follows:

1. Paragraph 1.02 (g) of the Annex to the Advance Agreement is amended to read as follows:

“(g) “PIU” means the Project Implementing Unit to be established within the MSPY and referred to in Section 2.03(b) of this Agreement.”

2. Paragraph 2.02 of the Annex to the Advance Agreement is amended to read as follows:

“2.02. *Execution of the Activities Generally.* The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities, through MSPY, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.”

All the other terms and conditions of the Advance Agreement, as amended hereby, shall remain in full force and effect.

Please confirm your agreement to the foregoing amendment by signing and dating the confirmation on the enclosed copy of this Amendment Letter and returning it to us. This amendment will come into force and effect as of the date of your countersignature and upon receipt by the World Bank of the said duly countersigned original Amendment Letter.

Sincerely,

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By 

Hongjoo Hahm
Country Manager
World Bank Office Croatia

AGREED:

REPUBLIC OF CROATIA

By 

Authorized Representative

Name BORIS LALOVAC

Title MINISTER OF FINANCE

Date: JUNE 10, 2014