Hon. Dr. Moeketsi Majoro,
Minister of Finance
Ministry of Finance
P.O. Box 395
Maseru 100, Lesotho

Public Sector Modernisation Project: Amendment Letter
Financing Agreement (Credit Number 5772-LS)

Hon. Dr. Moeketsi Majoro,

We refer to the Financing Agreement between the Kingdom of Lesotho (“Recipient”) and the International Development Association (“Association”), dated April 16, 2016, as amended, for financing the above-referenced Project. We also refer to the letter from the Ministry of Finance, requesting the Association to amend the above-mentioned Credit.

We are pleased to advise you that the Association agrees to your request and hereby proposes to amend the Financing Agreement as follows:

1. Section I.A.4(b) of Schedule 2 is amended to read as follows:

“The Recipient shall recruit, no later than three (3) months after the Effective Date, and maintain thereafter: (i) a Project coordinator, (ii) a procurement officer, (iii) a finance officer, and (iv) a monitoring and evaluation expert for the PCU, all with terms of reference, qualifications and experience acceptable to the Association.”

2. The table set forth in Section IV.A.2 of Schedule 2 of the Financing Agreement is amended to be read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, Operating Costs and Training for the Project</td>
<td>7,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>7,300,000</td>
<td></td>
</tr>
</tbody>
</table>
3. Section IV.B.2 shall be amended to read as follows:

“2. The Closing Date is November 30, 2021”.

4. By no later than thirty (30) days after the date of this amendment letter, the Recipient shall update the Project Operational Manual to incorporate the revised Project results framework.

All other provisions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement with the foregoing on behalf of the Recipient, by countersigning and dating the two original copies of this amendment letter and returning one countersigned original copy to the Association. Upon receipt by the Association of said original countersigned by the authorized representative of the Recipient, this amendment letter shall become effective as of the date of countersignature of this letter.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: __________________

Yoichiro Ishihara
Country Representative
Lesotho

AGREED:

KINGDOM OF LESOTHO

By: __________________

Authorized Representative

Name: Dr. Moeketsi Majoro
Title: Minister
Date: 03-Apr-2020