Mr. Hyung-Soo Park
President
Korea Institute of Public Finance
1924 Hannuri-daero Sejong City, Korea

Re: PEMNA Grant No. TF016153
Public Expenditure Management Network in Asia
Amendment to the Grant Agreement

Dear Sir:

We refer to the Grant Agreement dated December 20, 2013 between the Korean Institute of Public Finance (KIPF) (the “Recipient”) and the International Bank for Reconstruction and Development (the “World Bank”), acting as administrator of the Public Expenditure Management Network in Asia (PEMNA) Multi-Donor Trust Fund, for the above-mentioned Project (the “Grant Agreement”). We also refer to the letter from the Head of the PEMNA Secretariat dated July 29, 2015 requesting certain amendments to the Grant Agreement.

We are pleased to inform you that the World Bank accedes to the above mentioned request. Consequently, Article III of Annex 1 to the Grant Agreement is hereby amended as set forth in the Annex to this Amendment Letter.

Except as specifically amended by this Amendment Letter, all other provisions of the Grant Agreement shall remain unchanged and in full force and effect.

The World Bank will disclose this Amendment Letter and related information to this Grant Agreement in accordance with the World Bank’s Policy on Access to Information. By entering into this Amendment Letter, the Recipient consents to disclosure of this Amendment Letter and related information.

Please confirm your acceptance to the foregoing by signing and dating the two originals provided to you, retaining one original for your records and returning the other original to the World Bank. Upon receipt by the World Bank of the original Amendment Letter countersigned by you, this Amendment Letter will become effective as of the date of the countersignature.
Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Axel van den Berg
Regional Vice President
East Asia and Pacific Region

AGREED:
KOREA INSTITUTE OF PUBLIC FINANCE

By: Hyung Soo Park
Authorized Representative

Name: Hyung Soo Park
Title: President
Date: Dec 22, 2015
Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in US$)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, Training, staff costs, and Operating Costs</td>
<td>2,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,400,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this paragraph, the terms:

(i) “Operating Costs” means the reasonable costs incurred by the Recipient, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation including but not restricted to office equipment, computer hardware and software, maintenance costs including information technology services, document duplication/printing, consumables, travel costs and per diem for Project staff for travel; and

(ii) “Training” means the reasonable costs for training conducted under the Project, as shall have been approved by the World Bank, including but not restricted to expenses for workshops facilities, preparation of training and workshop materials, travel costs for the participants and other expenses related to event preparation.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient; except that withdrawals up to an aggregate amount not to exceed US$480,000 may be made for payments made prior to this date but on or after June 3, 2013 for Eligible Expenditures.
3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018.