Dr. P. B. Jayasundera  
Secretary to the Treasury  
Ministry of Finance and Planning  
The Secretariat  
Colombo 1

Sri Lanka: AusAid Grant Agreement for Co-Financing  
Sri Lanka Emergency Northern Recovery Project (Trust Fund No. TF071431)  
Amendment to Grant Agreement

Dear Dr. Jayasundera:

We refer to the Grant Agreement dated July 15, 2010 entered into between the Democratic Republic of Sri Lanka (the Recipient) and the International Development Association (the Association) acting as administrator of grant funds provided by the Australian Agency for International Development (AusAID) for the above mentioned Grant. We refer also to your request for an amendment to the Grant Agreement in order allow for retroactive financing of expenses eligible under the Grant Agreement.

The Association agrees with your request and consequently proposes to amend the Grant Agreement as follows:

2. The Table in Paragraph 3.01 of the Annex is amended to read:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (US$)</th>
<th>Percentage of the Expenditures to be Financed (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Payments made under the Workfare Program under Part B of the Project</td>
<td>10,539,070</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10,539,070</td>
<td></td>
</tr>
</tbody>
</table>

Headquarters: Washington, D.C., U.S.A.
1. Paragraph 3.02 of the Annex is amended to read as follows:

"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 aggregate amount not to exceed $6,500,000 equivalent may be made for payments made prior to this date but on or after September 1, 2009, for Eligible Expenditures."

Please indicate your agreements to this amendment by signing the form of countersignature below and returning one original to us. Upon receipt of the countersigned original by us, this amendment shall come into force as of the date of countersignature by you.

Yours sincerely,

/s/ Diarietou Gaye

Diarietou Gaye
Country Director for Sri Lanka & Maldives

CONFIRMED
DEMOCRATIC REPUBLIC OF SRI LANKA

By: P. B. Jayasundera

Title: Secretary

Date: March 14, 2011