August 28, 2014

Hon. Mr. Aggrey Tisa Sabuni
Minister, Ministry of Finance and Economic Planning
Ministry of Finance and Economic Planning
P.O. Box 80
Juba, Republic of South Sudan

Honorable Minister:

RE: Republic of South Sudan: Local Governance and Service Delivery Project
(Credit No. 5213-SD)
Amendment to Financing Agreement

We refer to the: (i) Financing Agreement between the Republic of South Sudan (“Recipient”) and the International Development Association (“Association”) dated November 14, 2013 for the above-referenced Project (“Financing Agreement”); and (ii) Administration Agreement concluded between the International Bank for Reconstruction and Development and International Development Association and the Kingdom of Denmark dated October 12, 2013 establishing the Local Governance and Service Delivery Trust Fund (LGSD TF) contributing US$2,430,000 to the above-mentioned Project.

We are pleased to inform you that the Association agrees with your request and proposes to amend Section IV.A of Schedule 2 to the Financing Agreement as follows:

“A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Grants under Part 1 of the Project financed by the Association up to the date of this Amendment</td>
<td>750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, consultants’ services, non-consulting services, Operating Costs, Training for Parts 2, 3, and 4 of the Project financed by the Association up to the date of this Amendment</td>
<td>1,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Financing Allocated (expressed in SDR)</td>
<td>Percentage of Expenditures to be Financed</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>(3) Refund of PPA</td>
<td>889,798</td>
<td></td>
</tr>
<tr>
<td>(4) Grants under Part 1 of the Project of the Project</td>
<td>8,850,000</td>
<td>Such percentage of Eligible Expenditures as the Association may determine for each FY</td>
</tr>
<tr>
<td>(5) Goods, works, consultants' services, non-consulting services,</td>
<td>20,210,202</td>
<td>Such percentage of Eligible Expenditures as the Association may determine for each FY</td>
</tr>
<tr>
<td>Operating Costs, Training for Parts 2, 3, and 4 of the Project of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>32,500,000</td>
<td></td>
</tr>
</tbody>
</table>

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

Please indicate your agreement with the foregoing amendments to the Financing Agreement on behalf of the Recipient by countersigning and dating the two original copies of this letter and returning one countersigned original copy to the Association. Upon receipt by the Association, the amendments to the Financing Agreement shall become effective as of the date of countersignature of this letter.

Sincerely,

Bella Bird
Country Director for South Sudan
Africa Region

AGREED:
REPUBLIC OF SOUTH SUDAN

By: __________________________
Name: Abney W. Sabir
Title: ____________
Date: 28/08/201
Cc with copies: Mr. Moses Mobior Deu, Director for Aid Coordination, Ministry of Finance and Economic Planning (MoFEP)

Ms. Naoko Anzai, Acting Project Coordinator, Project Management Unit (PMU), Local Government Board